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EDMONTON

ANNUAL REPORT

1985/86

Alberta
CONSUMER AND
CORPORATE AFFAIRS

87-03388/

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Alberta
CONSUMER AND CORPORATE AFFAIRS

Office of the Minister

104 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2305

The Honourable Dr. David J. Carter
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit this Annual Report of the Department of Consumer and Corporate Affairs for the fiscal year ending March 31, 1986.

Respectfully submitted,

Elaine McCoy
Minister of Consumer and
Corporate Affairs

Alberta
CONSUMER AND CORPORATE AFFAIRS

Office of the Deputy Minister

22nd Floor, 10025 Jasper Avenue, Edmonton, Alberta, Canada T5J 3Z5 403/427-4095

The Honourable Elaine McCoy
Minister of Consumer and Corporate Affairs

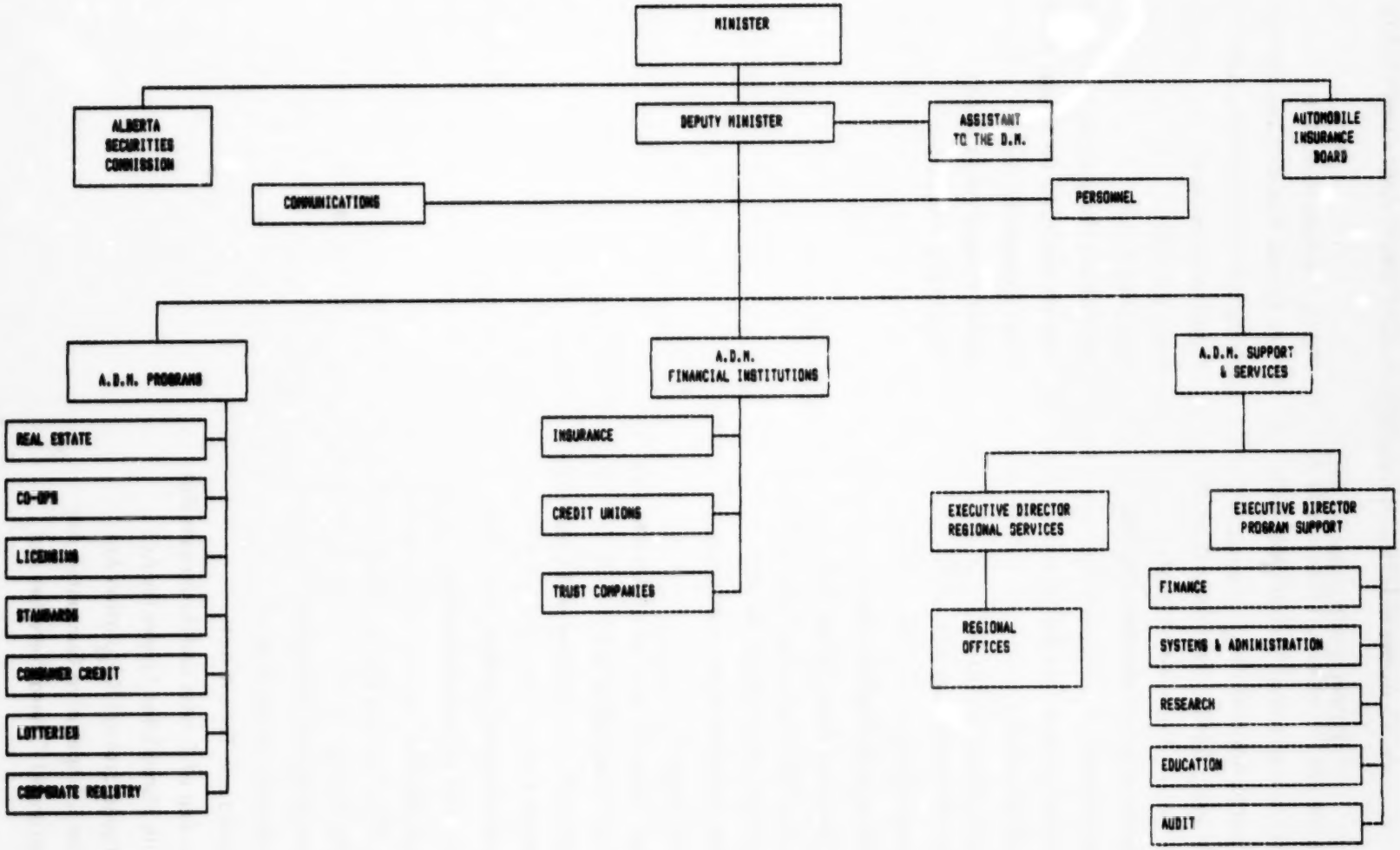
Madam:

I take pleasure in submitting the Department's Annual Report for the fiscal year ending March 31, 1986.

Respectfully submitted,

J. Barry Martin
Deputy Minister

ALBERTA CONSUMER AND CORPORATE AFFAIRS
ORGANIZATION CHART
1985/86



ACTS ADMINISTERED BY ALBERTA CONSUMER AND CORPORATE AFFAIRS

Agricultural Societies Act (Section 33 & 43) - administered "in common" with Alberta Agriculture
Bankruptcy Act (federal Act, of which the Orderly Payment of Debts provisions are administered by the Department)
Business Corporations Act
Cemeteries Act
Cemetery Companies Act
Collection Practices Act
Companies Act
Condominium Property Act
Co-operative Associations Act
Co-operative Marketing Associations & Rural Utilities Guarantee Act
Credit and Loan Agreements Act
Credit Union Act
Credit Union Federation of Alberta Act
Debtors' Assistance Act
Department of Consumer and Corporate Affairs Act
Deposits Regulation Act
Direct Sales Cancellation Act
Franchises Act
Fuel Oil Licensing Act
Insurance Act
Interprovincial Lottery Act
Investment Contracts Act
Landlord and Tenant Act
Licensing of Trades and Businesses Act
Mobile Home Sites Tenancies Act
Mortgage Brokers Regulation Act
Native Co-operative Guarantee Act
Prearranged Funeral Services Act
Public Contributions Act
Real Estate Agents' Licensing Act
Religious Societies' Land Act
Public Auction Act
Securities Act
Societies Act
Tax Rebate Discounting Act (federal Act administered by the Department)
Trust Companies Act
Unfair Trade Practices Act
Wage Assignments Act

DEPUTY MINISTER'S OFFICE

Communications

Personnel

Communications

Communications, in managing the overall communications needs for the Department, provides consultation on public affairs matters, media relations, advertising and communications strategies. In advising on and assisting with both internal and external communications activities, the staff provides editorial services and facilitates the preparation of printed materials, public displays, audio-visual productions, photography, artwork and print orders.

Highlights for the reporting period included completing the development of, and providing inventories for, regional display units. These displays feature portable computers offering consumer information to the public, as well as panels of interchangeable graphics based on educational objectives. Additionally, communications helped plan and facilitate the Department's hosting of the National Association of Administrators of Co-operative Legislation Conference, and worked with Consumer Education and Information on province-wide media launches for 2000 A.D.

Personnel

The main objective of the Personnel Office is to assist line management in achieving the goals and objectives of the Department, through providing service, advice, and counsel in human resource planning and management. In this role, activities are centered on job classification, recruitment and selection, pay and benefits administration, training and development, employee relations, and occupational health and safety.

Highlights for the reporting period included: a continuation of the department's committee approach to job classification for non-management positions; the introduction of a Non-Smoking in the Work Place policy; the initiation of a review to update the Consumer Relations Officer and Financial Analyst classification series; the introduction of a major training and development course designed to enhance employee interpersonal skills when dealing with their peers, their supervisors, and the public.

TABLE I

Summary of Staff Development Activity

	No. of Participants
Organization Development Division courses	176
Government agency and private sector courses	98
Department-sponsored, in-house training	485
Course subsidies extended to participants in degree and certificate programs	66
TOTAL	825

TABLE 2

Department Personnel Statistics

Complement as of April 1, 1985

Total number of full-time permanent salary positions	397
Number of management positions	60
Number of non-management positions	337

Classification requests processed	112
Recruitment activity	91

PROGRAM SUPPORT AND SERVICES

Regional Services

Program Support

Systems and Administration
Consumer Education and Information
Research and Planning
Financial Services
Audit

REGIONAL SERVICES

The Department's direct services to consumers and the business community were provided through eight Regional Offices.

Through administration of a wide range of consumer legislation, emphasis was placed on responding to the specific needs of consumers and business. Department staff assisted in the resolution of problems and mediation of disputes. Education and Information staff were involved in a wide range of activities designed to provide pertinent information to Albertans on which to make informed decisions.

Service Highlights

The department's regional staff responded to 97,200 general telephone inquiries, and a total of 8,940 formal investigations were concluded. In addition, family financial counsellors handled 24,679 inquiries, providing a wide range of information and assistance with particular emphasis on preventative counselling. Counsellors also conducted 2,780 detailed counselling sessions on debt problems.

Assistance was provided to Albertans wishing to incorporate co-operatives. All financial institutions in the Province were inspected as required by statute and trust accounts which are required under specific licensing legislation were inspected. Regional staff also assisted non-profit societies with respect to filing annual returns.

PROGRAM SUPPORT

Program Support supplies centralized services required in the development and delivery of the Department's programs.

Systems and Administration

Services supplied to the Department by Systems and Administration during 1985/86 included: data processing systems development and support, analysis of business procedures, automation of administrative systems, management of the departmental records systems, support for and operation of word processing and office systems, operation of the micrographics unit, design and production of stationery and forms, and administrative services.

Electronic data processing was supported with a wide range of systems that use both Central Government Data Centre and new technologies based on local desk-top computers. Included were budget preparation and monitoring, operational support and systems enhancement, ongoing review of changing user-needs, and investigation of new technologies to benefit staff with advancements where demonstrably cost-effective.

Operating costs of major data processing systems in the Department were reduced for the second successive year with no reduction in levels of service to clients.

Office systems and word processing services were expanded to all areas of the Department for the first time in 1985/86, and administrative services were re-organized. Operation of the Departmental records centre (providing storage for and access to semi-active and inactive files) and the micrographic unit (providing filming and processing services for micrographic systems) continued without major change. Efforts were made to integrate these non-automated data management systems with the electronic computer systems, to simplify the overall operation, and to meet the needs of the Government's Records Management policy.

Consumer Education and Information

The Consumer Education and Information Program aims to:

- provide learning opportunities for Albertans to help them develop decision-making skills applicable in the marketplace,

- develop and distribute informational materials to meet consumer and business needs,

- promote a sense of responsibility among Albertans for planning and using their personal resources,

- develop programs for special-need groups.

Print and Instructional Materials

A variety of publications and instructional materials were produced in response to changing consumer needs.

Projects completed this year include:

- 500 radio scripts and public-service announcements, recorded by regional staff for broadcast on over 20 stations throughout Alberta.

- Consumer Education Materials: An Annotated List, 1986 Edition, distributed to schools, post-secondary institutions, social agencies, libraries and government departments.

- 2000 A.D.: a Guide to Financial Awareness; distribution methods included display stands in Treasury Branches, credit unions and public libraries.

- 48 newspaper columns on numerous issues, distributed to weekly newspapers throughout the province.

- Consumer Complaints, a Self-Help Handbook.

- participation on the Program Committee of the provincial International Youth Year Symposium, and development of a series of audio dramatizations on consumer topics for use in two sessions at the symposium.

- Consumer Resources and Materials, an annotated bibliography designed to assist librarians in selecting current consumer resources, distributed to 300 public libraries.

- four consumer articles written for magazines, newsletters and professional journals.

- advertisements, promoting the Moving Out booklet for International Year of Youth, were placed in youth-orientated commercial and post-secondary institutional publications. Also, a series of quizzes on consumer-related topics was designed for insertion in college and university tabloids.

Consumer Information Centres

The Resource Centre continued to establish Consumer Corners in Alberta libraries, by providing a basic collection of consumer publications, product information files, consumer tips sheets and an index to periodicals. The Resource Centre also serves as a reference service for participating libraries, conducts orientations for library staff, and provides consultative services.

This year Consumer Corners were established in the 59 libraries belonging to the Marigold and Yellowhead Regional Library systems, bringing to 75 the number of such centres in Alberta.

Resource Centre Services

A comprehensive resource collection of over 8,000 books, films, pamphlets, periodicals and videos on all facets of consumerism, the Resource Centre also offers professional assistance in setting up special workshops and in-service training. The Centre was increasingly used during the fiscal year by professionals, post-secondary students, the general public and departmental staff.

Resource Centre User Statistics

	1985/86	1984/85
Number of staff	1,447	1,520
Number of educators	831	403
Number of post-secondary students	370	338
Requests from the public for information	4,903	4,743
Requests for films	459	702

The Resource Centre also circulated 4,866 items and replied to 1,592 mail requests through Box 1616 for free departmental publications. As well, staff provided displays for educators and post-secondary students, held open houses, and conducted a variety of workshops to help participants choose consumer education resources for their own programs or curricula.

Research and Planning

Research and Planning provides research services and information to support Departmental planning and policy formation. The unit has five major functions:

* preparing information on consumer issues and Department policies, including, in the past year, interest rates on security deposits for rented accommodation; food and clothing cost indexes used by the Department's family financial counsellors; and a directory of 70 "consumer help" agencies and associations in Alberta for the publication, Consumer Complaints: A Self-Help Handbook.

* publishing Market Highlights, a monthly newsletter which provides the public with information about consumer goods and services, including price changes and new products, product safety, and consumer protection legislation. Circulation reached 5,200 in March 1986.

* analyzing particular policies and issues, assessing their implications for the Department, and preparing policy recommendations. Among the projects completed were: an analysis of public comments on the Credit Union Task Force Report; a review of qualification requirements for licensing of insurance agents and brokers; an assessment of which Department regulations should be repealed; a study of letters of credit as an alternative to surety bonding.

* co-ordinating the Department's long- and short-term planning processes, including organization and evaluation of yearly management planning meetings, assisting in the creation of plans, and assessing the implementation of the plans.

* collecting and analyzing data to facilitate Departmental decision-making. This service includes needs-assessments, program evaluations, and surveys. Activities in 1985/86 included co-ordination of an "Organizational Effectiveness Program" to improve the Department's work environment; comparison of income and education data for targeting consumer education programs; studies on the use of public service announcements, the Department's absenteeism rate, and the benefits of offering incentives to improve response rates in surveys. Evaluations covered areas such as the "Proofamatics" staff-training program; Consumer Corners in public libraries across the province; and consumer education "Help Yourself" displays.

Financial Services

Table I

Summary of Revenue for Alberta Consumer and Corporate Affairs for the Fiscal Years Ended March 31, 1985 and 1986

	1985/86	1984/85
Fees, Permits and Licenses		
Business Corporations Act	$5,520,164	$5,923,161
Alberta Securities Commission	615,599	531,528
Insurance Companies	312,190	309,708
Credit Union Examination	276,645	269,892
Real Estate Agents	51,570	96,000
Licensing of Trades and Businesses Act	153,232	172,136
Other	120,386	91,777
	$7,049,786	$7,394,201
Other Revenue:		
Refunds of expenditure	$ 64,496	$ 4,211
Miscellaneous	31,795	13,561
	$ 96,291	$ 17,772
TOTAL DEPARTMENT REVENUE	$7,146,077	$7,411,973

TABLE 2

Summary of Expenditures of Alberta Consumer and Corporate Affairs
For the Fiscal Years Ended March 31, 1985 and 1986

	1985/86	1984/85
Central Support Services		
Minister's Office	$183,227	$148,467
Executive Management	493,223	496,761
Program Support Division	4,175,806	3,991,562
Regional Delivery Division	4,442,038	4,273,555
	9,294,294	8,910,345
Consumer Services	$ 645,843	$ 587,155
Business Registration and Regulations		
Regulation of Financial Institutions		
Executive Director Financial Institutions	$ 86,094	$ 124,902
Regulation of Insurance Industries	146,485	128,453
Regulation of Credit Unions	591,098	465,142
Registration and Regulation of Trust Companies	144,393	133,850
	$ 968,070	$ 852,347
Registration and Regulation of Businesses		
Regulation of Real Estate	$ 143,295	$170,445
Licensing	349,042	356,140
Regulation of Business Practices	91,991	107,206
Regulation of Credit Grantors	116,844	128,727
Lotteries Administration	---	50,482
Business Incorporations and Registration	2,346,671	2,388,009
Regulation of Co-operatives	58,547	61,630
	$3,106,390	$3,262,639
Regulation of Auto Insurance Premiums	$ 108,013	$ 147,021
TOTAL	$4,182,473	$4,262,007
Regulation of Financial Market	$2,562,636	$2,559,669
Financial Assistance to Major Exhib. & Fairs	$5,721,100	$6,117,331
Total Departmental Expenditures	$22,406,346	$22,436,507

Audit

Audit provides financial consulting and examination services to the Department, with financial analysis and field examinations of registrants or licensees conducted at the request of statutory directors.

Audit programs designed specifically for regulated industries were used in examining whether licensees were complying with applicable legislation and were handling public funds appropriately.

During 1985/86, all provincially chartered insurance companies and investment contract companies were audited. In addition, reviews and examinations were conducted in accordance with legislation administered by the Department.

PROGRAMS

Real Estate

Co-operative Activities

Consumer Credit

Family Financial Counselling

Licensing

Standards Development

Lotteries

Class "A" Agricultural Fairs & Exhibitions

Corporate Registry

Real Estate Program

The Superintendent of Real Estate administers the Real Estate Agents' Licensing Act, Mortgage Brokers Regulation Act, Condominium Property Act, Landlord and Tenant Act, and Mobile Home Sites Tenancies Act.

Persons who deal in these areas are licensed and bonded, where required, and complaints against licensees are investigated by regional staff who also conduct routine inspections to ensure trust funds are handled properly.

Real Estate Agents' Licensing Act

To become licensed as real estate agents, applicants must satisfy the Superintendent of Real Estate that they meet the requirements respecting training, competency and personal integrity. The number of real estate licensees in 1985/86 is summarized in Table I.

After February 1, 1985, real estate salespersons did not require licensing, but did have to write and pass a qualifying examination, be employed by a licensed agent, and be registered with the Real Estate Assurance Fund. Also, the provisions of the Real Estate Agents' Licensing Act and Regulations continue to apply and court action may be undertaken for contraventions.

The Program regulates the sale of out-of-province real estate that is divided into units such as lots, condominiums or timesharing projects. A prospectus providing full disclosure of relevant facts must be filed and accepted before a developer is permitted to offer a project to Alberta residents. There were 12 filings, and 8 Certificates of Acceptance issued.

TABLE I

Number of Real Estate Agents

	1985/86	1984/85
Calgary	351	288
Edmonton	303	263
Red Deer	28	23
Lethbridge	34	27
Medicine Hat	30	23
Fort McMurray	15	16
Grande Prairie	13	12
Camrose	5	4
Lloydminster	9	5
Wetaskiwin	6	5
Drumheller	9	6
St. Albert	16	12
Peace River	7	5
Towns and Villages	282	232
	1,108	921

Mortgage Brokers Regulation Act

Persons acting as mortgage brokers must be registered and bonded. In October, 1985, major amendments to the Act came into force. The amended Act is similar to the Real Estate Agents' Licensing Act in terms of requirements for registration, record-keeping and disclosure to consumers. As of March 31, 1986, 71 mortgage brokers were registered in the Province, compared to 76 the previous year.

Landlord and Tenant Act

Complaints against landlords are investigated by regional staff who also serve as mediators when required. The majority of complaints relate to non-return of security deposit and non-payment of interest. Court action is initiated when warranted; of 8 such instances during the year, 7 resulted in convictions.

Disciplinary Action

Six show-cause hearings were held for real estate agents, resulting in three refusals of license. Six additional letters of reprimand were issued. Two show-cause hearings were held for mortgage brokers. One letter of reprimand and four letters of direction were also issued after investigations by Department staff. Court action was instituted in four cases under the Real Estate Agents' Licensing Act and the Mortgage Brokers Regulation Act, resulting in three convictions.

TABLE 2

Real Estate, Mortgage Broker, Condominium, and Landlord and Tenant Investigation/Inspections

	1985/86	1984/85
Real Estate	605	362
Mortgage Brokers	77	139
Condominiums	1	—
Landlord and Tenant	351	453
Mobile Home Sites	8	3
TOTAL	1,042	957

Co-operative Activities Program

The Co-operative Program is responsible for the administration of the Co-operative Associations Act, the Co-operative Marketing Association and Rural Utilities Guarantee Act and the Native Co-operative Guarantee Act. The overall objective is to assist co-operatives with their incorporation requirements and to encourage them in the provision of co-operative services to their members. Program services are extended throughout the Province by the six Regional and two District Offices.

Although reported membership in Alberta co-ops is up somewhat to approximately 840,000, sales, assets, equity and savings are all lower than they were in 1984. Fifteen new incorporations during the year and 21 dissolutions totalled a net loss of 6 co-operatives.

The Department works closely with other government departments, such as Alberta Utilities and Telecommunications, Alberta Agriculture, and Alberta Housing, to assist Albertans in the various forms of co-operatives throughout the Province.

Alberta Co-operative Statistics
Year Ending December 31, 1985

Classification	Sales	Assets	Equity	Savings	Members
Consumer	$807,297,609	$262,102,172	$102,373,059	$20,019,292	$645,061
Seed, Grain, Food Producers	23,387,709	29,159,286	19,979,146	719,195	32,899
Dairy & Milk Producers	289,453,145	86,852,822	43,792,479	2,030,135	6,211
Livestock, Poultry	172,394,721	78,781,752	28,366,999	8,784,305	9,014
Housing, Land	15,399,945	88,117,703	2,585,714	(399,275)	3,543
Associations, Wholesalers	653,091	400,690	300,741	92,565	407
Services	30,676,235	20,954,063	13,750,788	918,380	26,734
Worker Co-ops	2,442,967	1,481,387	373,878	54,021	637
Total Alberta Incorporated Co-ops	$1,341,705,422	$567,849,875	$211,522,804	$32,218,618	$724,506
Alberta Private Bill Co-ops	$1,605,979,511	$526,463,000	$200,206,000	$21,471,554	$115,395
Total Alberta Co-ops	$2,947,684,933	$1,094,312,875	$411,728,804	$53,690,172	$839,901
Extra-Provincial Co-ops	$1,210,910,240	$1,257,817,544	$551,160,849	$225,218,668	$168,920

Consumer Credit Progam

The Consumer Credit Program administers the following legislation dealing with consumer credit.

* Credit and Loan Agreements Act
* Collection Practices Act
* Wage Assignments Act
* Tax Rebate Discounting Act (federal)
* Debtors' Assistance Act
* Part X, Bankruptcy Act - Orderly Payment of Debts Provisions (federal)

There are three primary goals in dealing with consumer credit: to develop informed borrowers in lending transactions, and informed sellers for tax rebate transactions; to foster orderly collection of accounts within certain parameters; and to develop good money management skills for Albertans and specific assistance for over-committed debtors.

All investigations and complaints are handled through the Regional and District Offices.

In the calendar year 1985, 276 credit-related complaints and investigations were completed as outlined in Table I.

The highest complaint category, both by type of business and type of problem, involved complaints against the 54 licensed collection agencies within the Province. During 1985, the 54 agencies collected a total of $40,414,969.93 within Alberta on behalf of their clients.

Tax Discounting

The Consumer Credit Program administers the Tax Rebate Discounting Act on behalf of the Federal Government within the Province of Alberta and registers those discounters under the provisions of the Credit and Loan Agreements Act.

During 1985, the number of registered discounters increased to 56 from 28, primarily as a result of having each office register individually for franchise operations.

The activity of these discounters continued to increase, as outlined in Table 2. In December 1985, the Federal Government amended the Tax Rebate Discounting Act, reducing the amount of discount from 15% of the total return to 15% of the first $300 of return and 5% for any amount over $300. The effects of this amendment will be monitored closely during the 1986 taxation year.

General

The Consumer Credit Transactions Act, passed in June 1985, was awaiting proclamation at the end of the calendar year. To give affected parties the opportunity to comment on the legislation prior to its proclamation, the regulations were circulated on an industry-wide basis.

Family Financial Counselling Program

The Family Financial Counselling Program of the Department is delivered by counsellors within the Regional and District Offices, under the authority of the Debtors' Assistance Act. The Program primarily aims at helping consumers improve their money management skills. Where necessary, repayment programs are drafted for over-committed debtors to allow them to repay their obligations in an orderly fashion.

Debt-repayment programs are offered under both the Debtors' Assistance Act and the Orderly Payment of Debts provisions of the federal Bankruptcy Act. The former is a voluntary pool program; the latter court-ordered. Emphasis has been given to the voluntary programs, to allow more flexibility in dealing with client needs and creditor requirements. In 1985, 43% of new files opened were under the voluntary pool plan programs, up from 28% the previous year and 12.5% in 1983.

A total of 24,679 requests were made either in person or by phone for information or counselling. Of these 5,723 were new clients specifically requiring credit counselling. Repayment programs resulted in the disbursement of $2,087,654.29 to more than 1,100 creditors on behalf of debtors under the programs.

TABLE I

Summary of Credit Complaints in 1985 *

Complaint Investigations

(by type of business)

	1985	1984
Collection Agency	139	134
Retail	50	111
Bank (includes credit unions and trust companies)	36	46
Finance Company	13	26
Mail Order	1	3
Tax Discounter	19	23
Personal Services	3	6
Credit Reporting	1	9
Other	14	10
TOTAL	276	368

Complaint Investigations

(by type of problem)

	Total 1985	Total 1984
Collection Practices	103	114
Cost of Credit	30	42
Advertising	20	71
Pay-Out Calculation	28	18
Contract Liability	12	18
Unethical Practices	10	14
Cancellation of Contract	4	8
All Others (include licensing investigations)	69	83
TOTAL	276	368

*The Credit and Loan Agreements Act requires that the Supervisor of Consumer Credit report annually on a calendar-year basis; the figures in this section are from the latest report, which covers the period January through December, 1985.

TABLE 2

Activity of Alberta Tax Discounters

	1985	1984
Number of Returns Acquired	58,577	41,049
Total Amount of Refunds Acquired	$49,808,963.36	$34,281,318.30
Average Refund	$850.32	$817.21
Total Discount Retained	$7,324,432.80	$5,013,332.71
Average Discount Per Return	$125.04	$119.51
Percentage of Refund Retained	14.71%	14.62%

Licensing Program

The Licensing Program administers the following legislation: Licensing of Trades and Businesses Act, Public Auctions Act, Fuel Oil Licensing Act, Direct Sales Cancellation Act, Public Contributions Act, Cemeteries Act, Prearranged Funeral Services Act.

In addition, the Program is responsible for administrative procedures for licensing of real estate agents, insurance agents, adjusters and investment contractors under the Real Estate Agents' Licensing Act and the Insurance Act, and is now also responsible for collection agencies and collectors.

Licensing is handled by Regional Office staff, who are responsible for accepting applications and supporting documents, conducting investigations and referring recommendations for prosecution or bond claims to the Director. The Licensing Program provides regional staff with information through an on-line system of licensing, training and consulting services, bond administration/claims, and prosecution approvals.

During the fiscal year, approximately 26,160 licences were issued or renewed on an annual or two-year basis, with another 3,016 already active on a two-year basis and not yet due for renewal. There was a 3% increase in all other types of licences issued.

A total of 1,086 campaign permits for charitable solicitations were approved by the Department and six local approving authorities.

There were 15 final certificates of approval issued for the use of land as a cemetery.

Surety bonds posted by 17 licensees were forfeited to compensate 46 consumers where the licensees failed to provide goods and services. Claims totalled $124,100.

Standards Development Program

The Standards Development Program administers the Unfair Trade Practices Act, which provides guidelines for a fair and competitive marketplace within which buyers and sellers may operate. The principles on which the Act is based, such as truth in selling and full disclosure of information, allow acceptable standards of business conduct to be set, benefiting both the supplier and consumer of goods and services.

In its administration of the Unfair Trade Practices Act, the Program has continued to emphasize the principles of consultation and co-operation with the business community. Alleged transgressions of the Act are discussed with the business concerned and in the vast majority of cases, agreement is reached without having to resort to legal action.

However, if a supplier persists in operating outside the requirements of the Unfair Trade Practices Act, legal action is initiated by the Director of Trade Practices by way of Statutory Undertaking or Statement of Claim.

The Department's six Regional and two District Offices conducted 745 investigations into alleged breaches of the Unfair Trade Practices Act during the last fiscal year.

Lotteries

Under the Interprovincial Lottery Act, the Minister may, on behalf of the Government of Alberta, enter into agreements with the Governments of any other Provinces regarding the conduct and management of lottery schemes within Alberta and those other provinces.

Enriching our lives and lifestyles, proceeds from lotteries create many benefits for Albertans. These funds are dispersed for the support of lifestyle enhancement initiatives relating to recreational, cultural, or community development or for any other purpose the Minister considers to be in the public interest.

Class "A"
Agricultural Fairs & Exhibitions

The Consumer and Corporate Affairs Grant Regulations provide for the Minister to make certain grants to Class "A" Fairs and Exhibitions in Alberta. In addition, under the Agricultural Societies Act, the Minister administers certain sections of that Act for Class "A" fairs. These fairs are located in Calgary, Camrose, Edmonton, Grande Prairie, Lethbridge, Lloydminster, Medicine Hat, Olds, and Red Deer.

Capital and operating grants to the fairs in 1985/86 totalled $3,011,601 and $2,709,497 respectively.

Corporate Registry

Corporate Registry is responsible for registration functions outlined in the Business Corporations Act, the Companies Act, the Societies Act, the Religious Societies' Lands Act, the Co-operative Associations Act, the Credit Union Act, and the Cemetery Companies Act.

The Registry's primary administrative function under these Acts is to issue certificates which will create or change the structure of limited liability corporations and societies, and issue certificates of registration to permit corporations formed in any other jurisdiction to carry on business in Alberta. It also maintains a public depository of documents required to be filed under the various provisions of the above Acts.

Corporate Registry maintains records on 159,526 active Alberta corporations in computerized and microfilm form. During 1985/86, 18,521 corporations were incorporated or registered in Alberta by the Registry. This represents an increase of approximately 14% over the previous year. Additional comparative statistics on corporate activities are listed below.

TABLE I

Documents Issued

	1985/86	1984/85
Business Corporations Act		
Certificates of Incorporation	15,740	13,521
Certificates of Registration	1,403	1,223
Certificates of Continuance	4,469	7,861
Certificates of Amalgamation	466	395
Certificates of Amendments	8,572	7,438
Certificates of Dissolution	27,839	21,700
Certificates of Import Continuance	109	105
Certificates of Discontinuance (Export)	393	436
Companies Act		
Certificates of Incorporation	44	37
Societies Act		
Certificates of Incorporation	1,274	1,047
Certificates of Articles/By-law Change	792	847
Religious Societies' Lands Act		
Certificates of Incorporation	43	37
Co-operative Associations Act		
Certificates of Incorporation	15	19
Credit Union Act		
Certificates of Incorporation	2	2
Cemetery Companies Act		
Certificates of Incorporation	1	2

TABLE 2

Documents Processed

	1985/86	1984/85
Annual Returns	122,973	117,729
Notice of Address	29,698	25,909
Notice of Directors	22,680	20,623
Debt Obligations	7,218	6,828
Discharge of Obligations	3,432	2,904
Receivers/Liquidators	590	557
Corporate Revivals	1,989	1,090

TABLE 3

Public Information

	1985/86	1984/85
Telephone Searches	391,081	404,663
Walk-in Clients	62,858	68,912
Certified Document Requests	6,078	7,034
Written, Telex Search Requests	68,420	56,255

FINANCIAL INSTITUTIONS

Insurance and Investment Contract Companies

Credit Unions

Trust Companies

Financial Institutions

This program area aims at safeguarding consumers' interests while providing a stable, positive regulatory environment, with minimum government intervention, for the Province's financial institutions.

Office of the Superintendent of Insurance

In accordance with the Insurance Act of Alberta, the Superintendent of Insurance:

(a) has general supervision of the business of insurance within Alberta,

(b) shall ensure that the laws relating to the conduct of the business of insurance are enforced and obeyed,

(c) shall examine and report to the Minister from time to time on all matters connected with insurance, and

(d) shall prepare for the Minister an annual report on the affairs of the industry.

Additionally, under the Investment Contracts Act, the Superintendent has similar responsibilities in relation to the supervision and regulation of the investment contracts industry.

Before obtaining a licence from the Superintendent, an insurance company must place a deposit with the appropriate provincial or federal authority. This deposit is held to protect policyholders in case the company runs into financial difficulties.

In an effort to ensure that all insurance agents, brokers, and adjusters acquire an acceptable standard of knowledge in their field, the Superintendent prescribes examinations for new applicants before issuing a certificate of authority.

All insurance companies licensed in Alberta are required to file, with the Superintendent of Insurance, annual audited statements detailing their financial conditions and operations.

In the interests of policyholders, the office of the Superintendent monitors the financial stability of provincially incorporated insurance companies through annual audit and periodic review of their financial condition. Federally registered insurance companies are monitored by the Superintendent of Insurance for Canada.

The Superintendent works in co-operation with other provincial jurisdictions to maintain uniformity in the insurance laws and regulations. Each year the provincial and territorial Superintendents of Insurance across Canada and the federal Superintendent of Insurance hold a conference to discuss regulatory issues relating to the insurance industry.

TABLE I

Insurance Companies Licensed

	1985/86	1984/85
Provincial Companies	8	8
Extra-Provincial Companies	16	16
Dominion Registered Companies	315	312
Fraternal Associations	21	21
TOTAL	360	357

New Companies Admitted (1985)	8	3
Companies Withdrawn (1984)	4	4
Companies Merged into Existing Companies	1	2

TABLE 2

Number of Insurance Agents Licensed
(as of February 1, 1986)

	LIFE	FIRE	ACC. & SICK.	HAIL	AUTO	OTHER	TOTAL 1985/86	TOTAL 1984/85
Edmonton.....	1,342	520	823	3	11	411	3,110	2,983
Calgary.....	1,415	573	907	5	4	409	3,313	3,265
Lethbridge.....	134	74	73	28	1	50	360	341
Medicine Hat.....	48	32	22	10	1	21	134	124
Red Deer.....	127	39	70	-	2	49	287	249
Grande Prairie.....	63	21	48	5	3	16	156	146
Other Centres * and Non-Residents	796	650	340	559	13	416	2,774	2,714
Other.....	2	1,826	-	-	5	28	1,861	1,875
TOTAL	3,927	3,735	2,283	610	40	1,400	11,995	11,697

* Centres with fewer than 50 agents are not shown separately.

TABLE 3

Number of Insurance Adjusters Licensed
(as of February 1, 1986)

	TOTAL 1985/86	TOTAL 1984/85
Edmonton	143	158
Calgary	120	122
Red Deer	16	15
Lethbridge	25	24
Lloydminster	10	10
Other Centres * and Non-residents	68	69
TOTAL	382	398

* Centres with fewer than 10 adjusters are not shown separately.

TABLE 4

Insurance Complaints Resolved
(Fiscal Year Ending March 31, 1986)

Class of Complaints	TOTAL 1985/86	TOTAL 1984/85
Automobile	182	178
Fire	58	87
Life	82	60
Accident and Sickness	41	45
Travel	18	13
General (other classes)	108	118
Adjusters	3	4
TOTAL	492	505

Credit Union Program

The Credit Union Program administers the Credit Union Act and the Credit Union Federation of Alberta Limited Act.

The Director is responsible for examining applications for the incorporation of credit unions, examining the affairs of each credit union at least once a year and, with the Board of the Credit Union Stabilization Corporation, approving dissolutions and amalgamations.

No new credit unions were incorporated during the fiscal year 1985/86. There were two dissolutions, leaving 129 credit unions chartered in the Province.

Alberta Credit Unions

	March 1986	March 1985
Number of Incorporated Credit Unions	129	131
Branch Outlets	133	147
TOTAL	262	278
Members	476,827	490,641
Assets	$2,345,951,000	$2,508,380,000
Loans Outstanding	1,683,503,000	1,919,174,000
Cash and Investments	527,652,000	321,847,000
Guarantee Reserves (for doubtful loans)	63,530,000	87,389,000

Trust Companies Program

The Trust Companies Program administers the Trust Companies Act.

All trust companies operating in Alberta must be registered and comply with all requirements of the Alberta Trust Companies Act. Those trust companies taking deposits from the public must also be members of the Canada Deposit Insurance Corporation.

Trust companies file quarterly and annual reports, and any other information as may be required by the Director of Trust Companies.

As at December 31, 1985, 48 trust companies were registered in Alberta: five Alberta-incorporated, 26 federally incorporated and 17 incorporated in other provinces.

Comparative Statistics for Trust Companies Registered in Alberta

	DECEMBER 1985 ($000)	DECEMBER 1984 ($000)
Total Assets	$52,043,058	$42,965,000
Term and Demand Deposits (Alberta)	4,199,442	3,902,000
Total Investments (Alberta)	8,811,626	8,035,000
Number of Trust Companies Registered in Alberta	48	50